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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/639,478	08/15/2000	Robert Franklin Carey	12672US01	9992

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EXAMINER

ROSEN, NICHOLAS D

ART UNIT

PAPER NUMBER

3625

DATE MAILED: 07/10/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/639,478

Applicant(s)

CAREY, ROBERT FRANKLIN

Examiner

Nicholas D. Rosen

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 15 August 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 15 August 2000 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☒ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 3,5.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

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Claims 1-20 have been examined.

### ***Claim Objections***

Claims 1-14 are objected to because of the following informalities: In the second line of claim 1, "portfolio comprising:" should be "portfolio, the method comprising:", since it is the method rather than the portfolio which comprises the listed steps. Appropriate correction is required.

Claims 15-20 are objected to because of the following informalities: In the second line of claim 15, "portfolio comprising:" should be "portfolio, the apparatus comprising:", since it is the apparatus rather than the portfolio which comprises the listed components. Appropriate correction is required.

Claim 18 is objected to because of the following informalities: Claim 18 recites "The apparatus of claim 1 wherein . . .", but claim 1 is a method claim. Claim 18 is therefore presumed to depend on claim 15, and is so treated for examination purposes. Appropriate correction is required.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fried (U.S. Patent 6,035,286) in view of the article, "Dow Dogs Will Have Their Day, Fans Say Critics Call Strategy Overused, Outdated Dogs of 1997 Lost Their Bite," hereinafter "Dow Dogs." As per claim 1, Fried discloses a method for selecting securities from a group of available securities for an investment portfolio, the method comprising: collecting the dividend yields and buyback ratios (column 2, lines 8-22; column 4, lines 17-25); and ranking at least some of said available securities according to predetermined criteria comprising a predetermined relationship to said collected buyback ratios to form a group of ranked securities (column 4, lines 35-57). Fried does not expressly disclose ranking the securities according to collected dividend yields as well as collected buy back ratios, but "Dow Dogs" teaches ranking securities by dividend yield (second paragraph, beginning "The Dow dogs"; ninth through eleventh paragraphs, beginning "Miami Beach money manager"). Also, "Dow Dogs" teaches that buying back stock has become a common substitute for paying dividends (eighteenth paragraph, beginning "Helping to undermine"). Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention to have the predetermined criteria comprise a predetermined relationship between dividend yields and buyback ratios, for the obvious advantage of having the predetermined criteria reflect the ratios of paid-out earnings to stock prices of the corporations in question.

Fried does not expressly disclose selecting at least some of the ranked securities to form a group of selected securities, but "Dow Dogs" teaches selecting at least some ranked securities to form a group of selected securities (second and ninth paragraphs).

Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention to select at least some of the ranked securities to form a group of selected securities, for the stated advantage of investing in a portfolio of securities thought likely to outperform the market.

As per claim 2, Fried discloses that said group of available securities comprises the Dow Jones Industrial Average (column 3, lines 31-40), which is well known to be made up of 30 stocks (see "Dow Dogs," second paragraph).

As per claim 3, Fried does not disclose that said predetermined relationship comprises the sum of said collected dividend yields and said collected buyback ratios, but "Dow Dogs" teaches that buying back stock has become a common substitute for paying dividends (eighteenth paragraph, beginning "Helping to undermine"). Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention to have the predetermined relationship comprise the sum of dividend yields and buyback ratios, for the obvious advantage of having the predetermined criteria reflect the ratios of paid-out earnings to stock prices of the corporations in question.

As per claim 4, Fried does not disclose that said predetermined criteria consist only of said predetermined relationship between said collected dividend yields and said collected buyback ratios, but does disclose that the predetermined criteria can consist of only the buyback ratio (column 4, lines 6-14), or of only a relationship involving the buyback ratio and price/earnings ratio (column 4, lines 35-37 and 44-50); "Dow Dogs" teaches using the dividend yield as sole criterion (second and ninth paragraphs).

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Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention for the predetermined criteria to consist only of said predetermined relationship between said collected dividend yields and said collected buyback ratios, for the obvious advantages of having the predetermined criteria reflect the ratios of paid-out earnings to stock prices of the corporations in question, and avoiding unneeded complications.

As per claim 5, "Dow Dogs" teaches that selecting comprises selecting a predetermined number of said ranked securities (second and ninth paragraphs). Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention to select a predetermined number of ranked securities, for the obvious advantage of striking a balance between the higher risk of investing in few securities and the difficulty of outperforming the market when investing in many securities.

As per claim 6, "Dow Dogs" teaches that said predetermined number is 10 or less (second and ninth paragraphs). Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention for the predetermined number to be 10 or less, for the obvious advantage of striking a balance between the higher risk of investing in few securities and the difficulty of outperforming the market when investing in many securities.

As per claim 7, "Dow Dogs" teaches purchasing at least some of said group of selected securities to form a group of purchased securities (second and ninth paragraphs). Hence, it would have been obvious to one of ordinary skill in the art of

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finance at the time of applicant's invention to purchase at least some of said group of selected securities to form a group of purchased securities, for the obvious advantage of profiting from an investment in securities judged likely to outperform the market average.

Claim 8 is rejected under 35 U.S.C. 103(a) as being unpatentable over Fried and "Dow Dogs" as applied to claim 7 above, and further in view of Liscio ("Splitting Shares: Using the Americus Trusts to Boost Blue-Chip Returns" [Abstract]) and Roush ("FoM Joins New Investment Trust"). Fried does not disclose creating a unit investment trust comprising said purchased securities, but unit investment trusts are well known, as taught by Liscio and Roush. Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention to create a unit investment trust comprising said purchased securities, for the obvious advantage of saving on commissions as compared to each investor attempting to buy a basket of securities for himself, and for the stated advantages, as compared to mutual funds, of lower administrative costs and fees (Roush) and allowing exchanges without tax consequences (Liscio).

Claim 9 is rejected under 35 U.S.C. 103(a) as being unpatentable over Fried, "Dow Dogs," Liscio, and Roush as applied to claim 8 above, and further in view of Brown ("Tax Changes May Dog 'Beating the Dow' Strategy"). Fried does not disclose that the percentages of said purchased securities are approximately equal, but Brown teaches that the percentages of purchased securities in a "Dogs of the Dow" investment strategy are approximately equal. Hence, it would have been obvious to one of ordinary



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skill in the art of finance at the time of applicant's invention for the percentages of purchased securities to be approximately equal, for the obvious advantage of avoiding the risk of investing too heavily in any one security.

Claim 10 is rejected under 35 U.S.C. 103(a) as being unpatentable over Fried, "Dow Dogs," Liscio, and Roush as applied to claim 8 above, and further in view of Liberman ("Fund Group Unveils Index-Linked Unit Investment Trusts That Use a Dogs-of-the-Dow Strategy"). Fried does not disclose that said unit investment trust has a life of 13 months or more, but Liberman teaches a unit investment trust that has a life of 13 months or more (final paragraph). Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention for the unit investment trust to have a life of 13 months or more, for the stated advantage of possible favorable capital gains [tax] treatment.

Claim 11 is rejected under 35 U.S.C. 103(a) as being unpatentable over Fried and "Dow Dogs" as applied to claim 7 above, and further in view of official notice. Fried does not disclose creating a pooled investment vehicle comprising said purchased securities, but official notice is taken that pooled investment vehicles (e.g., mutual funds and unit investment trusts) are well known. Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention to create a pooled investment vehicle comprising said purchased securities, for the obvious advantage of saving on commissions as compared to each investor attempting to buy a basket of securities for himself.

Claim 12 is rejected under 35 U.S.C. 103(a) as being unpatentable over Fried and "Dow Dogs" as applied to claim 7 above, and further in view of the article "Van Kampen Sells 'Dow Dog' Annuity," hereinafter "Van Kampen." Fried does not disclose creating a variable annuity comprising said purchased securities, but "Van Kampen" teaches this (see especially first paragraph). Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention to create a variable annuity comprising said purchased securities, for the obvious advantage of providing an investor with an income for the remainder of his life.

Claim 13 is rejected under 35 U.S.C. 103(a) as being unpatentable over Fried and "Dow Dogs" as applied to claim 7 above, and further in view of official notice. Fried does not expressly disclose creating an investment account comprising said purchased securities, but official notice is taken that it is well known to create investment accounts comprising securities. Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention to create an investment account comprising said purchased securities, for the obvious advantage of enabling investors to conveniently invest in securities believed to be likely to outperform the market average.

Claim 14 is rejected under 35 U.S.C. 103(a) as being unpatentable over Fried and "Dow Dogs" as applied to claim 1 above, and further in view of official notice. Fried does not expressly disclose a computer-readable medium bearing a computer program containing instruction steps such that upon installation of said computer program in a general purpose computer, the computer is capable of performing the method of claim

1. However, official notice is taken that it is well known to use computer-readable media (e.g., floppy disks, optical disks, etc.) bearing computer programs containing instruction steps such that upon installation of an appropriate computer program in a general purpose computer (such as is disclosed by Fried, column 2, line 60, through column 3, line 6), the computer becomes capable of performing the instruction steps. Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention to use a computer-readable medium bearing a computer program containing instruction steps such that upon installation of said computer program in a general purpose computer, the computer was capable of performing the method of claim 1, for the obvious advantage of enabling a general-purpose computer such as Fried discloses to perform a method such as that disclosed by Fried.

Claims 15-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fried (U.S. Patent 6,035,286) in view of article, "Dow Dogs Will Have Their Day, Fans Say Critics Call Strategy Overused, Outdated Dogs of 1997 Lost Their Bite," hereinafter "Dow Dogs." As per claim 15, Fried discloses apparatus for selecting securities from a group of available securities for an investment portfolio, the apparatus comprising: a memory storing the dividend yields and buyback ratios of said group of available securities (column 2, lines 8-22; column 3, lines 7-23; column 4, lines 17-25); a processor programmed to rank at least some of said available securities according to predetermined criteria comprising a predetermined relationship to said collected buyback ratios to form a group of ranked securities (column 2, line 60, through column

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3, line 6; column 4, lines 35-57); and an output unit indicating in human readable form at least some of said ranked securities (column 4, lines 44-56). Fried does not expressly disclose ranking the securities according to collected dividend yields as well as collected buy back ratios, but "Dow Dogs" teaches ranking securities by dividend yield (second paragraph, beginning "The Dow dogs"; ninth through eleventh paragraphs, beginning "Miami Beach money manager"). Also, "Dow Dogs" teaches that buying back stock has become a common substitute for paying dividends (eighteenth paragraph, beginning "Helping to undermine"). Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention to have the predetermined criteria comprise a predetermined relationship between dividend yields and buyback ratios, for the obvious advantage of having the predetermined criteria reflect the ratios of paid-out earnings to stock prices of the corporations in question.

As per claims 16-20, claims 16-20 are closely parallel to claims 2-6, respectively, and rejected on essentially the same grounds.

### ***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Xu et al. (WO 00/33212) disclose a multi-factor stock selection system and method.

The anonymous article, "PaineWebber Readies Unit Trust That Invests in Possible Takeover Targets," discloses a unit investment trust with approximately equal amounts invested in various stocks. Luxenberg ("The Best Stock-Picking Strategy

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Yet?" [Abstract only]) discloses the "Dogs of the Dow" strategy. Wadhwani ("The US Stock Market and the Global Economic Crisis") discloses, inter alia, adjusting the dividend yield of stocks by adding the value of share repurchases to that of dividends (note section 2.1). Wiles ("Public Watches Dow, but Invests in S&P") discloses that there are several mutual funds and investment trusts buying the "Dogs of the Dow." Gallagher ("Milwaukee Investing Club, down 42.4 Percent, Meets to Decide New Strategy") discloses the "Dogs of the Dow" strategy, and discloses that companies have shifted toward buying back their stock rather than increasing their dividends. Hoffman ("Market Conditions Are Indicating . . . the best Opportunities Will Still Be in New Economy Areas") discloses 13 month unit investment trusts.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Nicholas D. Rosen, whose telephone number is 703-305-0753. The examiner can normally be reached on 8:30 AM - 5:00 PM, M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins, can be reached on 703-308-1344. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-7687 for regular communications and for After Final communications. Non-official/draft communications can be faxed to the examiner at 703-746-5574.

The new mailing address for the Patent Office is:

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As of May 1, 2003, the former addresses, Washington DC 20231 and P.O. Box 2327 Arlington VA 22202, should **not** be used.

Papers can be hand-delivered to the Technology Center 3600 receptionist, 7<sup>th</sup> floor, Crystal Park 5, 2451 Crystal Drive, Arlington VA 22202.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

*Nicholas D. Rosen*  
Nicholas D. Rosen  
Primary Examiner  
July 3, 2003

**Attachment for PTO-948 (Rev. 03/01, or earlier)**  
**6/18/01**

**The below text replaces the pre-printed text under the heading, "Information on How to Effect Drawing Changes," on the back of the PTO-948 (Rev. 03/01, or earlier) form.**

**INFORMATION ON HOW TO EFFECT DRAWING CHANGES**

**1. Correction of Informalities -- 37 CFR 1.85**

New corrected drawings must be filed with the changes incorporated therein. Identifying indicia, if provided, should include the title of the invention, inventor's name, and application number, or docket number (if any) if an application number has not been assigned to the application. If this information is provided, it must be placed on the front of each sheet and centered within the top margin. If corrected drawings are required in a Notice of Allowability (PTOL-37), the new drawings **MUST** be filed within the **THREE MONTH** shortened statutory period set for reply in the Notice of Allowability. Extensions of time may **NOT** be obtained under the provisions of 37 CFR 1.136(a) or (b) for filing the corrected drawings after the mailing of a Notice of Allowability. The drawings should be filed as a separate paper with a transmittal letter addressed to the Official Draftsperson.

**2. Corrections other than Informalities Noted by Draftsperson on form PTO-948.**

All changes to the drawings, other than informalities noted by the Draftsperson, **MUST** be made in the same manner as above except that, normally, a highlighted (preferably red ink) sketch of the changes to be incorporated into the new drawings **MUST** be approved by the examiner before the application will be allowed. No changes will be permitted to be made, other than correction of informalities, unless the examiner has approved the proposed changes.

**Timing of Corrections**

Applicant is required to submit the drawing corrections within the time period set in the attached Office communication. See 37 CFR 1.85(a).

Failure to take corrective action within the set period will result in **ABANDONMENT** of the application.